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The Canada Council
Conseil des Arts du Canada

[Statements and speeches]
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Public-Private Partnership
in the Arts

Notes for an address to the
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Public-Private Partnership in the Arts

This week I have been struck, as I am sure you have been, by the recent flurry of discussions about funding for the arts. In spite of the rather grim reason for this - which is the economic squeeze and its effects on the arts community - I am exhilarated that some of the best minds in the country are being gathered for brainstorming sessions such as this one to help deal with the problem.

I must say at the outset that I am particularly heartened by the formation of groups such as yours. If you had not existed I should certainly have been among those who would have campaigned for your creation! We at the Council share similar goals with you - to foster the enrichment of life in Canada and to do it efficiently. And I am grateful for the opportunity to talk to you about how we see our role, and that of the private sector, in providing support to the arts in Canada. Some of what I shall be saying will have to be philosophic rather than practical - given the Anti-Inflation Board regulations that are restricting increased corporate funding of charitable and cultural activities for the time being. Be that as it may, it is necessary to assert and re-assert principles. And these are what I should like to talk about today.

First, permit me a bit of background about the origins and functions of the Canada Council. As you will recall, the Massey Report of 25 years ago provided the philosophic base on which the Council was founded. That memorable document found the artistic and intellectual life of Canada badly in need of sustenance and too vulnerable to

influences from abroad. It proposed, among other remedies, the creation of a new organization geared specifically to the encouragement of the arts, humanities and social sciences. A few years later, estate taxes paid to the federal government on the deaths of two prominent Canadian industrialists made possible the creation of the Council. The Act of Parliament incorporating the new body in 1957 stated that the objects of the Council were to "foster and promote the study and enjoyment of, and the production of works in, the arts, humanities and social sciences."

The staff of the new Council took up this exciting challenge vigorously. They created the new programs and the machinery necessary for a system of grants and awards, and began to forge links with clients in the arts and in the humanities and social sciences.

At the outset, the Council's work was financed entirely out of the revenues of the endowment it had received. This amounted to only about \$2.7 million a year. However, it became apparent after a few years that with more-or-less fixed revenues the Council could not hope to meet the needs of the burgeoning artistic life in the country and the great new thrust in advanced studies and research in the universities. The federal government, therefore, in the spirit of the Massey Report, began voting substantial sums. Today these constitute the main part of the Council's budget. For the coming year our Parliamentary grant is almost \$60 million. This, plus other income, brings our budgeted revenues and expenditures to about \$72 million, of which \$36 million is for the arts.

Although it is financed in large part by the federal government, the Council enjoys virtual autonomy. It is directed by a group of 21 people appointed by the government. This group is advised by two panels of distinguished specialists - one for the arts and one for the humanities and social sciences.

In the arts, the Council directs the largest part of its assistance to organizations that employ artists - either creative or interpretive - who offer their work to the public. It counts among its clients almost all of the large artistic organizations in the country, and a multitude of groups more modest in size. Organizations we support include museums and art galleries, theatre, dance and opera companies, publishing houses, orchestras and other music groups. The Council also gives direct aid to individual artists, offering grants which permit them to undertake further study or to consolidate their art with a period of reflection and renewal of resources, to embark on a specific project, acquire indispensable tools and materials, or take a trip that may be necessary to their career. This is a particularly important and delicate aspect of our work, because of course our entire artistic life depends on the individual talent and competence of our artists. In the past few years, the Council has also initiated a few services for artists. Notable among these are the Art Bank and the Touring Office.

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The grants and awards given each year by the Council mount into the millions of dollars. Methods of selection of winners and award-holders

differ with the programs, but there is one common denominator: the decisions are always made on the advice of independent specialists who are consulted either individually or as members of a jury or committee. Thanks to this large and valuable network of assessors, which is constantly being improved and enlarged, the Council and its program officers have a broad range of contacts in the artistic milieu of Canada and abroad.

If the Council plays an indispensable economic role in the artistic life of the nation it is not alone in this task, thank God! At the federal level alone there are some 20 organizations whose business is principally cultural grouped around the Secretary of State - for example, the CBC, National Film Board and the National Museums. In addition, all provinces and a large number of municipalities fund cultural activity in varying degrees.

There is also private sector support for the arts, which concerns you particularly. The importance of this is well illustrated in the four large performing arts organizations in your region: the Toronto Symphony, the Stratford Festival, the National Ballet and the Canadian Opera Company. All older than the Canada Council, these four organizations together earned, and received from government and private sources, well over \$12 million during the past fiscal year. Of this amount, over half was direct earnings (mostly from the box office), and one third came from governments at all levels (including Canada Council grants). A Council study has shown, you may recall, that the operations

of performing arts organizations such as these return in tax revenues more than the amount of public grants to them. Private donations account for about 11 per cent of total revenues of these companies. Without the support of the private sector, therefore, one can see that these large companies would be in serious difficulty.

I cite these statistics to remind us of the extent of the present public-private partnership in support of the arts. I could cite other examples and different ratios would obtain. The principle, however, would be the same.

It is a principle that the Canada Council has espoused and has stated repeatedly. We are convinced that most social and cultural institutions operate best with a diversity of funding. We see this as essential for two main reasons. One is the size of support that is required for the arts. It is clear that box office revenues for performing arts companies, or royalties from books, or sales of paintings and sculptures - in other words, the conventional market forces - will never make the arts self-supporting in Canada. Years hence, our social and political system may evolve into something else, and people may see the arts as essential public services, in the way that we now see education, medical care, sewage disposal and roads. We have not reached that stage, and so we must look for ways in which the necessary funds can be winkled out of as many different sources as possible. According to recent unpublished figures from Statistics Canada on 51 large performing arts organizations, private grants accounted for 10 per cent of total revenue

in 1974 (compared with 8.5 per cent the previous year) and government grants accounted for 39.5 per cent (38.2 per cent in 1973). The remainder was made up by ticket sales and other revenue. The evidence of these disparities between public and private funding does not have to be pointed out to an audience such as this. Your group, after all, is making corporate giving its special study.

However, you will be expecting me to state my views, and those of the Council on this question. And I can assure you that they have been stated often and warmly, in public, and in our own deliberations within the Council. Stated simply, we urge more funding from the private sector for the arts; we do not see governments and their agencies as pre-empting the field, now or in the foreseeable future. As you know, we were instrumental in setting in motion the Council for Business and the Arts in Canada which is trying in ways similar to yours, in its specific field, to encourage more responsible and a higher level of giving in this country.

The Council of course does not believe in public-private funding only for the sake of the greater revenues that would result. In Canada we seem to be strong believers in the principle of shared support for social and cultural activities. Hence our bewildering (to the outsider) array of agencies that could be described as quasi-public, in the sense that they declare themselves to be independent in their policy-making and have their own boards, but nevertheless receive most of their funds from government.

This diffusion of management responsibility among a wide spectrum of people brings to decision-making a richness of ideas that a monolithic system does not have. Central government agencies, and those dependent on government for the bulk of their funds, such as the Canada Council, risk becoming myopic because of the sheer size of their task in administering financial programs in this enormous country and their inevitable remoteness from many of the people they serve. We at the Canada Council are conscious of this danger and make the fullest possible use of our advisory and consultative committees of experts. We also consult widely with our clients across the country and with our counterparts in the provinces. Yet as a large grant-giving body in that most bureaucratic of all places, Ottawa, we are inevitably seen by many people as just one more working hive of technocrats in what looks like a "state" agency.

As repeatedly stated by my predecessor André Fortier, we are therefore committed to diversity in arts support both on practical and on philosophic grounds. If our bureaucratic face appears too stern at times, it is only because we bear great responsibility for large sums of money that we must dispense equitably and efficiently across the country.

From where we sit, at the centre, and with all the constraints under which we work because of our financial and constitutional setup, we see, perhaps more clearly than you, the things we cannot do and in which you in the private sector might assume a larger role.

Because we are a national body and must deal even-handedly with artists in every community and with scholars in all the universities, we would find it difficult, for example, to launch an experimental program in a specific region that needs it. Many business corporations in Canada are regionally based, with close ties to the communities in which they operate. In many respects we envy this regional flexibility, this ability to act in response to expressed community need and criticism. We are becoming increasingly conscious today that the role of large organizations such as the Council is being questioned by the public, and we are seeking ways to respond to this challenge. I do not have to speak in this room of "corporate social responsibility." The very fact that you exist is evidence that, in these circles, at least, the principle is a guiding force.

I have noted with interest the remarks of your Richard Hopkinson on the subject: "The forward-looking firm," he writes, "is aware of its impact on society. A corporation can only operate by 'Public Consent'". Business men and women have played an important role in the social and cultural life of many communities in Canada, but our task, and yours, requires much more. We shall be interested in the results of the study of the social implications of corporate responsibility undertaken by the Bryce Commission. Naturally one cannot

anticipate the findings. But they will no doubt run along the lines of what I have been implying here: that business leaders everywhere are aware of the social and cultural needs - the "quality of life" - of the populations they serve, and that these leaders represent a great potential for good in this country.

For our part, it is up to all of us in the arts to point out the avenues for service and to provide the input when opportunities arise so that the most can be made from available resources. We shall have to be ready with statistics to show that community facilities such as art galleries, theatres and museums attract at least as many people - and not only upper income people, either - as do professional sports. David Silcox has pointed out that in metro Toronto about one quarter of theatre audiences earn only between \$6,000 and \$8,000 a year. Artists and arts organizations will have to be as creative in their planning as they are in their productions, and be able to present well-conceived proposals in a language that businessmen can understand - in such fields as children's theatre and concerts, special concerts for the aged and handicapped, "pocket" productions for touring in remote areas. The potential scope of such activities is staggering, and we know that creative Canadians everywhere, given the opportunity, would bring scores of project ideas to a corporate door!

But many of these creative people lack the ability to articulate their needs in practical everyday terms. Arnold Edinborough

remarked to a reporter not long ago that a dance company once came to him, as president of the Council for Business and the Arts in Canada, with a request for funds. They came in August and wanted their money by September. They had no conception, he pointed out, that corporate planning is most often done two years ahead. One of the tasks of his organization, drawing on the skills of the business leaders that make up its membership, will be to help arts groups to be more businesslike in their approach to corporate donors.

There is also an important role for business leaders on boards of management of arts organizations, where their financial expertise, as well as their creative and innovative ideas, can be of great value. In this role, businessmen must be able to understand and respect the artist's specific kind of dedication, and his sometimes fearsome sense of freedom and integrity. Subject to this condition, I think membership on a board can be a highly rewarding experience, as well as an opportunity to serve the community in a meaningful way.

To sum up, I would like to leave you with these thoughts.

We believe in public-private partnership in the arts because we believe in the strength and excellence that comes from the expression of a multiplicity of views. And we need the special views of the private sector because you, perhaps more easily than we, can remain closely attuned to some sections of the population.

As you say, your corporate life depends on it. That is not to say that we shall be insensitive to needs as communities express them; it only means that organizations, as people, should do each, in their own way, what they do best.

This penchant for permitting a multiplicity of views and a diversity of sources of power - at the same time our despair and our strength - is, I think, peculiarly Canadian. As George Woodcock says: "One of the great charms of this country is its complete failure to become a unified, centrally-controlled nation-state. Canada remains balky, stubbornly regional, crosshatched with barriers of language, geography, region, economics. In the loose mesh of Canada people have a chance to breathe." And, I would add, to govern themselves.

As a long-time public servant I would like to close with this thought, which is very close to me. The arts are too important in life to be left to governments and public bodies, and to their technocrats. Being one of them, I know the risks involved. Not that we are all intrinsically evil or beyond redemption, I hope, but because of the need for an alternative and a counterweight. Today, the arts could obviously not flourish without strong support from the public purse, and the role of the technocrat is - quite properly - to plan, regulate and control this support. However, because of the inherent tendency of bureaucracies to forever enlarge and expand their regulatory role, there is a danger of incipient "dirigisme" in the arts, and of a gradual takeover of our cultural well-being by the all-encompassing state.

We at the Council therefore look to the private sector as one of the forces that should help to keep things in proper balance. For this reason, among others, we wholeheartedly endorse your present aims and assure you that they are also ours. We are partners in a responsive, responsible enterprise.

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